Número 4

septiembre de 2012

ISSN: 2215-2768

Reportes del CEMOAN

Centro de Estudios de Medio Oriente y África del Norte CEMOAN
Escuela de Relaciones Internacionales - Universidad Nacional
Heredia, COSTA RICA

This paper was presented at the ninth biennial conference of the International Society for Iranian Studies (ISIS) held in Istanbul, Turkey from 2 August to 4 August 2012.

Iran and Latin America: vital interests and *soft-power* strategy.

Sergio I. Moya Mena

Abstract

The approach of the Islamic Republic of Iran to certain Latin American countries under the presidency of Mahmoud Ahmadinejad, is one of the newest developments of contemporary international relations. There are combinations of factors that have driven the growing and multi-layered relationship between Iran and these countries since 2005. Iran shares with them a combination of interests: the necessity to find new trade partners, an anti-imperialist ideology, the aspiration to play a larger role on the world´s stage and the desire of foreign policy independence. This article analyzes the political, commercial and strategic dimensions of Iran's foreign policy to Latin America during the presidency of Ahmadinejad and the configuration of a soft power approach to this region.

Introduction

Although Iran's recent rapprochement to Latin America began during the presidency of Mohammad Khatami, it is from Mahmoud Ahmadinejad's administration when the relationship with the Islamic Republic becomes much more intense, making that country one

CEMOAN
Centro de Estudios de Medio Oriente y África del Norte

of the new foreign players emerging in hemispheric politics.

This article explores the extent and implications of recent relations of Iran with the countries of the Bolivarian Alliance (ALBA) as well as with Argentina and Brazil.

Origins of the relationship with the Islamic Republic of Iran

The geographical distance and the—*seemingly*- lack of significant common interests made the relations between Iran and Latin America to develop late. Indeed, it is only after the 1979 Islamic Revolution that Iran began expanding its relations with some countries in the region. In fact, the revolutionary identity, forged in the overthrow of the Shah, explains, *in part*, the recent rapprochement of the Iranian foreign policy toward Latin America because, since its onset, Iranian leaders have understood their Revolution as the defense of the dispossessed around the globe, not just in Iran or the Islamic world. Thus, during the first decade of the Revolution, spreading the revolutionary ideology into Africa, Asia and Latin America was a goal for Iranian diplomacy.

Ahmadinejad's diplomatic thrust

Prior to 2005, Iran does not develop any foreign policy relevant to the region. There are two factors that would generate a more intense rapprochement process from that year on: first, the shift to the left occurring in several countries in Latin America, which favored processes of political convergence, such as the member countries of ALBA, and second, the victory of Mahmoud Ahmadinejad, whose foreign policy will be influenced by the purist renewal of the ideology of the first decade of the Revolution.

Ahmadinejad furthers the rapprochement process with some Latin American countries, whose governments concurred with Tehran on the critique of the foreign policy of the United States and on the call to build a "new international order." After Ahmadinejad takes over, the diplomatic horizon of Iran in the region significantly expands: Iran now has embassies in Argentina, Bolivia, Brazil, Colombia, Cuba, Chile, Ecuador, Mexico, Nicaragua, Uruguay and Venezuela. All this makes the Islamic Republic one of the Middle East countries with more diplomatic presence in the region.

Although Iran does not consider Latin America a priority from the geopolitical point of view, for Tehran this is a place that seeks to break the diplomatic and economic siege to which Iran is subjected, and to expand the country's "prestige and influence".

Expansion of trade relations

One of the direct effects of Iran's incursion in Latin America is the increase in trade relations which, although intensified in some cases, have behaved erratically and still are not important for Iran, or for its partners in the region.

In its economic and trade relations with Latin America, the Islamic Republic seeks to use economic and trade capacities of the region, to attract investments and to export technical and engineering services; to develop markets for Iranian exports; to diversify Iran import markets and to expand technological exchange. (Fouzi et al. 2011: 72).

Until 2010, Brazil was Iran's major trading partner in Latin America. Bilateral trade amounted US $2,000 million in 2009. However, trade between both countries has declined and Venezuela has become Iran's main export market in Latin America and the third most important trading partner for the

Islamic Republic.

Trade between Venezuela and Iran has significantly increased over the past 5 years, especially with the signing of almost 320 bilateral agreements on projects in scientific, financial, industrial, nuclear power and oil areas. Venezuela and Iran have established more than twenty industrial factories and processing plants to produce tractors, bicycles and dairy products. However, bilateral trade is still not very significant. In fact, Iran is not among the ten most important trading partners of such South American nation. Even Egypt has more trading exchange with Venezuela than Iran (1) Some factors explaining such low volume of these economic relations include the geographical distance, lack of commonalities in cultural, religious and historical aspects, lack of information for both Iranian and Latin American businessmen on investment opportunities and the capabilities of each party and, to some extent, the economic sanctions against Iran.

Although there are commercial ties between the two countries since 1960, what has made both nations come together is their status as oil powers. In fact, Iran and Venezuela usually coordinate their strategies in bodies like the Organization of Petroleum Exporting Countries, OPEC. Forums such as OPEC and the Non-Aligned Movement, NAM, were the scenarios from which Ahmadinejad began to approach the region--*with Chavez's support at all times.*

While during the Khatami presidency energy cooperation was strengthened and the establishment of binational companies, like VENIRAN, engaged in the manufacture and assembly of tractors was agreed on, with Ahmadinejad, meetings at all levels and State Visits have increased: Ahmadinejad has visited Venezuela five times and Chávez has traveled to Iran six times.

In the political and diplomatic fields, Chávez and Ahmadinejad have highlighted the concurrence of objectives between the Islamic Revolution and the Bolivarian Revolution: questioning of the capitalist order and imperialism, criticism on U.S. policies in the Middle East, the need to create a multipolar order free of hegemonic forces, etc. Both leaders have expressed their desire to strengthen a "unified axis" against the United States, and they have found in Russia and China support for their military development plans, a field where both Iran and Venezuela have explored cooperation channels, which, nonetheless, do not imply

the presence of Iranian military personnel in said South American nation (2).

Other bilateral relations

Bolivia

The efforts of the Chavez Administration and several contacts made under the NAM framework led to the establishment of diplomatic relations between Bolivia and Iran in 2007. Both countries have signed several bilateral instruments in areas such as cooperation, hydrocarbons, industry, mining, agriculture and medicine and have established mechanisms for bilateral relations.

In his first trip to Tehran in 2007, President Evo Morales asserted, together with the Iranian President, that the "two revolutionary nations" were "natural allies and would support each other in any circumstances." (3) When the Iranian President visited Bolivia in October 2008, he promised US$1 million to build two clinics of the *Iranian Red Crescent*, one of which became operational a year later in El Alto (4). Two years later, they signed five memoranda of understanding establishing a joint bank and credit lines. In the economic field, they agreed on Iranian cooperation, estimated in US$278 million, for dairy plants, a textile manufacturing plant and, probably, a tractor assembly plant, while Ahmadinejad stated his interest in buying 100 thousand tons of soybeans.

Nicaragua

The two countries have enhanced their relationships since the return of the Sandinista Front to power in 2007, when diplomatic relations were restored after they were severed in 1990. There is a shared history between the FSLN and the Iranian regime, a common reference to two anti-imperialist and "identical revolutions" in the same year (1979) that overthrew dictators who were allied to the United States.

It is not surprising that 33 years later, Ortega and Ahmadinejad continue to see each other as "natural allies". This does not mean that Nicaragua represents a strategic interest for Iran, as evidenced by the lack of interest in Tehran to meet the promises made to the Sandinista Government in 2007, such as the commitment to finance several development projects, including the construction of 10,000 homes, shipping 4,000 tractors, construction of five dairy processing plants and ten milk collection centers, supply of modern equipment for the irrigation system, training courses and workshops on issues such as agricultural development, the construction of a slaughterhouse and meat packing plants, or the possibility of a deep water port at *Monkey Point* on the Caribbean Coast of Nicaragua, an investment that would involve other "friendly countries" such as Venezuela..

Except for $1.5 million donated for the clinic, no other significative promise has been met, however, in may 2012 Ali Saidlu, Iran's vice-president for international affairs, announced in Managua that the Iranian government was finally ready to pardon Nicaragua's Cold War debt -totaling some $164 million- and in exchange offer the country an additional $250 million loan for development.

Brazil

Although Venezuela has been Iran's most enthusiastic political ally, Brazil, the sixth largest economy in the world and leading member of BRIC, has been—*at least during the Administration of President Lula da Silva*--the main *trophy* of Ahmadinejad's Latin American politics. As analyst Peter Hakim

states: "For Iran, a State Visit to Brazil is equal to ten to Venezuela." At that time, the Iranian regime found in Lula da Silva a key ally, especially in the context of the Iranian intent to develop a nuclear program. The position of Brazil during Lula's mandate was that the International Atomic Energy Agency, IAEA (*and not the Security Council or other actors*) was the entity that should resolve the dispute over Iran's nuclear program. Lula's foreign minister Celso Amorim also said that Brazil did not recognize the unilateral sanctions imposed on Iran, either by the United States or the European Union, and did not accept any pressure in their relations with other countries, especially Iran.

In view of the announcement made by Washington of a new nuclear policy in 2010 which pointed to Iran and North Korea as "countries susceptible to be a target of an attack" President da Silva said:

> *"You cannot start from the presumption that Ahmadinejad is a terrorist who must be isolated. We must negotiate (...) Iranians must know they can enrich uranium for peaceful purposes and everyone else must have the peace of mind that it is only for peaceful purposes (...) Pakistan has the atomic bomb, and Israel too."* (5)

In May 2010, Brazil promoted, together with Turkey, a bold diplomatic initiative, achieving the commitment of Tehran to accept exchanging part of its of nuclear fuel away from Iran. This agreement was seen as a diplomatic victory for Iran and represented the most intense moment in the alliance between Brazil and Iran; however, it failed to be supported by the five nuclear countries, who also proposed a fourth round of sanctions.

Months later, the presidential change in Brazil and the inauguration of President Dilma Rousseff marked the beginning of a dampening process in the bilateral relationship. In an interview with *The Washington Post* before inauguration, Rousseff said that "if she had been the President when Brazil had abstained in the UN months ago in a motion challenging the violation of human rights in Iran, she would not have permitted it".

During the sessions of the UN Human Rights Council in March 2011, Brazil—*shifting its usual abstention position with regard to Iran*--voted to send a special rapporteur to investigate allegations of human rights violations in Iran, an initiative promoted by the United States. A month later, Rousseff strongly condemned the death penalty by stoning imposed on the widow Ashtani Sakineh Mohammadi, who was accused of adultery: "As a woman I cannot accept such of medieval practices. There are no excuses. I will not compromise in this regard", said Rousseff (6).

This shift in Brazilian politics did not go unnoticed by the Iranian government, whose Foreign Affairs Ministry said that while "critique between the two friendly countries is allowed, no space should be left for the enemies of this relationship, like the United States" (7).

However, the most significant signs of change in bilateral politics have been the exclusion of Brazil in the presidential tour of Mahmoud Ahmadinejad to Latin America in January 2012 and the statements by Ali Akbar Javanfekr, spokesman for the Iranian President, who in an interview with a Sao Paulo 's newspaper *Folha de Sao Paulo*, said that "President Rousseff knocked everything that President Luiz Inacio Lula da Silva did. She destroyed years of good relations" (8).

Although a break between the two countries is not expected, estrangement would be a major setback for Iran, which could not be offset even with a strengthened relationship with ALBA countries.

Argentina

Relations with Argentina contrast significantly with the close ties that President Ahmadinejad has developed with ALBA countries The basic disagreement between the two countries is still the subject of the terrorist attacks against the Embassy of Israel and the facilities of the Argentina-Israel Mutual Association, AMIA, in 1992 and 1994 respectively, which the Argentine government attributed to the Lebanese Shiite organization of Hezbollah and several Iranian officials (*including former president Ali Akbar Rafsanjani*) against whom Argentina has issued several arrest warrants. Following this incident, diplomatic tensions between the two countries have been recurrent. Such tension, however, has not affected trade relations since just a year after the attacks, former Argentine Foreign Minister Guido Di Tella, together with his Iranian counterpart, Ali Akbar Velayati, defined a system toward strengthening of economic relations, given the impossibility of a more fluid political relationship after the bombing.

During the Administration of President Nestor Kirchner, Argentin insisted on the charges against Iranian officials, and in 2008 the country voted for UN sanctions against Iran's nuclear program. However, bilateral relations seem to have entered a détente phase after the speech of President Cristina Fernández to the UN General Assembly in September 2011, which opened the door for dialogue with Iran to try to advance in the prosecution of those responsible for the attack. It is no coincidence that this shift in Argentine politics takes place in a time when Argentina's exports to Iran reached US$2000 million, representing a considerable increase of 20% compared to 2010, and confirming Iran as the main market of the Middle East and the Islamic world for Argentina (9).

Final thoughts

Iran's relations with some countries, mainly those linked to ALBA, have generated various reactions from those who defend them as an expression of an increasingly multipolar world, to those who question them alleging diverse grounds. In any case, the oversizing of these relationships is often perceived, transcending their actual impact on the fields of economy, trade, politics and security.

Governments with close ties to Iran justify this approach with several arguments: strategic expansion of the diplomatic horizon in the Middle East, search for national interests, expansion of trade and investment among complementary economies, building of alternative and anti-imperialist diplomatic axes etc.

On the other hand, the relationship with Iran is viewed--*especially by certain sections of the media, right wing political parties, Pentagon officials and the United States Department of State and various think tanks in this country*-as a threat "to regional

security and stability". In this regard, several accusations have been raised around the issue of security, ranging from the existence in the region of a "network for activist recruiting for training in terrorist activities in Venezuela and Iran" to conspiracies among Iran, Hezbollah and the Mexican drug cartels (10), or the presence of elements of the Islamic Revolutionary Guard in Venezuela". The last episode of accusations was the alleged plot devised by Iran through Manssor Arbabsiar, a used car salesman from Texas, to assassinate Saudi Arabia's ambassador in Washington.

Many of these accusations have lacked hard evidence or have been denied by the American authorities (11). In many cases, they seem to be the regional expression of an anti-Iranian or Iran-phobic worldwide campaign well orchestrated by U.S. conservative groups; the Israel lobby, Iranian opposition groups like the People's Mujahedin of Iran PMOI (*Sazman-e Mojahedin-e Khalq-e Iran*) and sectors of the U.S. military industry.

The Washington "warnings" have had little political influence on the cordial relations that Iran maintains with ALBA countries, and in some cases, all they have accomplished is stirring up the anti-American rhetoric.

More than the express wish to challenge the U.S. security in the hemisphere, Iran would rather be interested in consolidating its influence and prestige in areas further away from their immediate geopolitical context, and promoting the country's image as a "model of anti-imperialist resistance." For Iran, venturing into Latin America by supporting those governments with a leftist and anti-American rhetoric (12) is a way to demonstrate that the United States has a *global policy*, which is not restricted to its own "backyard."

To some extent, Iran's foreign policy runs close to the *soft power* strategy that China has been exercising in various parts of world and Latin America for some years. Evidence of this *soft power* strategy is the launch of the channel of Spanish newswire *HispanTV* in November 2011, the creation of several internet portals promoting Iranian culture and Shiism (13), the Iranian film festivals, opening of cultural councils, the creation of Iranology and Persian language Departments at universities in Colombia, Venezuela and Brazil, as well as various exchange programs of Latin American students and scholars to Iran.

Beyond the above, Latin America is not a high priority in Iran's foreign policy agenda, but to venture into areas that until recently were considered "exclusive stronghold" of some superpowers, is a way to gain prestige and support that sooner or later will generate political benefits. Those who obviously feel most affected are the United States, whose leaders and strategists watch helplessly as it becomes increasingly difficult to apply the *Monroe Doctrine* rigorously and avoid the interference of extra-continental antagonistic actors like Iran and China on hemispheric issues. Washington is angry that, just when the siege to Iran, with the various rounds of sanctions and oil embargoes, attains the conditions of an undeclared war, Tehran boasts about its alliances in the United States own area. Basically, what is feared is the construction of alternative power lines that challenge more robustly and successfully the world power and success of the United States.

Nevertheless, the alliances built by Ahmadinejad in the region remain limited and fragile. They are limited because major countries in the region such as Mexico, Chile and Colombia, which are among the five largest Latin American economies, have not been interested in Iran's rapprochement.

In the case of the ALBA countries, trade relations, though new and promising, are still irrelevant from a qualitative point of view. Although there are concrete expressions of Iranian cooperation, as those binational companies incorporated in Venezuela or the energy cooperation projects with Brazil, hundreds of agreements, letters of understanding and cooperation projects have been signed, many of which are based on promises ... *that have not been met* or whose economic feasibility is questionable. The cases of Bolivia, Ecuador and Nicaragua are perhaps the most significant.

Despite the flamboyance with which these proposals and initiatives have been introduced in Iran, Iranian public and academic sectors, much more concerned about economic issues and policies, have reacted with indifference or skepticism to Ahmadinejad's initiative on Latin American. Iranian professor and analysts Gholam-Reza Kiamehr explains:

> *"trade exchange with Latin American countries. It certainly adds an element of diversity to Iran's target markets, but distance, added to significant cultural and historical differences, will slow down the process of trade expansion with these countries. Venezuela, Nicaragua and Bolivia may be potential markets for Iran, but their profitability depends on their economic drive and purchase power (…) apart from Brazil –which is already an economic giant with a growth pace similar to China's— other countries of the Latin American region lack a significant GDP, but in the meantime, there is a chance that they turn into reliable economic partners for Iran in twenty years (Kiamehr, 2011).*

Additionally, today's good relations of Iran with ALBA countries do not guarantee their sustainability; they depend heavily on the political shifts that may occur within member countries of the alliance. In all these, the conservative opposition has seriously criticized Iran's rapprochement, and the return of right wing sector to power in these countries will most likely put an end, or at least freeze trade with Iran. This already happened in Nicaragua, where right wing won the elections in June 1990 and the diplomatic relations with the Islamic Republic were severed. In the case of Brazil, no triumph of the right wing has been needed, just a transition in the leadership of the Labor Party, to start a slight rift in the politics of that country with Iran that, if confirmed, would be a harsh blow to Iranian diplomacy. ■

Notes

(1) Instituto Nacional de Estadística, INE. http://www.ine.gob.ve/comercio/comercioindice.asp

(2) Iran, Venezuela to strengthen deterrent capabilities: Defense Minister, *Iranian Student News Agency* 2009 (Teherán), 29 de abril.

(3) Iran, Latin America construct new world system. *Press TV 2008* (Teherán) 8 de septiembre.

(4) Irán equipó un hospital de segundo nivel en El Alto, *La Prensa* 2009 (La Paz) 24 de noviembre

(5) Lula insiste en "negociar" sobre el caso nuclear iraní, *ABC Digital*. http://www.abc.com.py/abc/nota/101201-Lula-insiste-en-"negociar"-sobre-el-caso-nuclear-iraní

(6) Por qué Ahmadinejad no irá a Brasil. *El País* 2012 (Madrid) 9 de enero.

(7) Irã mostra ressentimento com mudança do Brasil e lamenta voto na ONU. *O Rio Branco*. Qua, 20 de Abril de 2011.

(8) Ahmadinejad extraña a Lula y no quiere a Dilma. *El Comercio* 2012 (Quito), 23 de enero.

(9) Klich, Ignacio. Irán y el interés argentino. *Revista Debate* 2011 (Buenos Aires) 7 octubre.José, R. Cárdenas. Why is Iran conspiring with Mexican drug dealers?.

(10) La presencia de personal de la Guardia Revolucionara Islámica en Venezuela fue desmentida en 2010 por el General Douglas Fraser, máxima autoridad del Comando Sur de los EE.UU. La inexistencia de la "mega embajada" que Irán estaría construyendo en Managua fue desmentida por el diario *The Washington Post.* La presencia de gru-

pos islámicos radicales en México ha sido desmentida por la Secretaría de Relaciones Exteriores. En el caso del "complot" para asesinar el embajador saudí, la trama ha sido puesta en duda -*dada su evidente inverosimilitud*- por algunos analistas como Alireza Nader especialista en Irán de la *Rand Corporation*, el ex agente de la CIA y experto en Irán Robert Baer o el profesor Rasool Nafisi de la Strayer University.

(11) La convergencia con estos gobiernos de izquierda latinoamericana no deja de ser una paradoja, pues desde su victoria en 1979, la República Islámica has sido bastante hostil a las organizaciones izquierdistas en Irán. Véase al respecto: *Tortured Confessions: Prisons and Public Recantations in Modern Iran* de Ervand Abrahamian (1999) University of California Press.

(12) Entre estos están: Islamoriente.org; libros.ir; abna.ir; tercercamino.com; prensaislamica.com; embajada.ir.

Bibliography

-Arnson, Cynthia et al (2010) *Iran in Latin America : threat or 'axis of annoyance'?* (Washington: Woodrow Wilson International Center for Scholars).

-Barzegar, Kayhan. (2009) The Geopolitical Factor in Iran's Foreign Policy, en *The Iranian Revolution at 30*. (Washington: The Middle East Institute).

————(2010) *Iran's Foreign Policy Strategy after Saddam*. The Washington Quarterly. (Washington: Center for Strategic and International Studies,)

-Botta, Paulo. *Irán en América Latina: Desde Venezuela hacia Brasil*. Ágora Internacional Vol. 4 Nº 9.

-Caro. Isaac. at al. (2009) *La presencia de Irán en América Latina a través de su influencia en los países del Alba*. Atenea N° 500- II Sem.

-Fouzi, Yahya et al. *Estudio de los factores influyentes sobre la ampliación de relaciones de Irán con los países latinoamericanos en el gobierno de Ahmadinejad*. Revista Iraní de Política Exterior Vol. III, Núm.7: 55-105, primavera y verano 2011, Teherán.

-Haghroosta, Maryam (2008) *Actas del Seminario Internacional: Diálogo Cultural entre Irán y América Latina*, 10´14 mayo de 2008, (Universidad de Teherán, Facultad de Estudios del Mundo, Teherán.)

-Hunter, Shireen T. (2010) *Iran´s foreign policy in the post-soviet era. Resisting the new international order*. (Santa Barbara: Praeger).

-Kiamehr, Gholam-Reza (2012) No El Dorado for Iranians. *Iranian Diplomacy*, 10 de enero.

-Klich, Ignacio. Irán y el interés argentino. *Revista Debate*. 7 Oct 2011. http://www.revistadebate.com.ar/2011/10/07/4525.php

-Kourliandsky, Jean Jacques (2012) L'Iran et l'Amérique latine de langue espagnole: Les intérêts communs et circonstanciels de deux mondes longtemps éloignés. En *L'IRAN et les grands acteurs régionaux et globaux.*

-Marenco, Eduardo. Et al. (2008) *Relaciones de Nicaragua con Venezuela e Irán: Tedencias y Hechos*. (Managua: Instituto de Estudios Estratégicos y Políticas Públicas).

-Moya Mena, Sergio. *La política exterior del presidente Mahmud Ahmadinejad hacia América Latina (2005-2010*). Revista Centroamericana de Ciencias Sociales. Vol VII No. 1. San José, julio 2010.

-Noriega, Roger et al. (2011) *The Mounting Hezbollah Threat in Latin America. (Washington:* Latin American Outlook, No. 3)

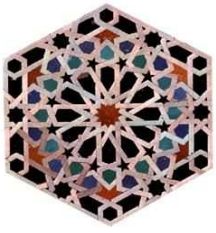
-Preiss, Silvia et al. (2011) *As Relações Brasil-Irã: dos antecedentes aos desdobramentos no século XXI*, ANMO: África del Norte y Medio Oriente, Año 1, No. 1, Otoño.

-Rubin, Michael (2008) *Iran's Global Ambitions*. Middle East Outlook. No. 3. March 2008.

-Tokatlian, Juan Gabriel (2009). El agotamiento de la Doctrina Monroe. *Le Monde Diplomatique*, Edición colombiana, octubre de 2009.

About the author

Sergio I. Moya Mena is professor at the School of International Affairs at the National University (Costa Rica). He is also coordinator of the Center for Middle Eastern and North African Studies, CEMOAN. His research interests include Shi'ism in the contemporary Middle East, foreign policy of the Islamic Republic of Iran and contemporary Islamic political thought. He can be reached at: cemoan@una.ac.cr



CEMOAN
Centro de Estudios de Medio Oriente y África del Norte

Centro de Estudios de Medio Oriente y África del Norte

Consejo Editorial
Alexander López R. ■ Sergio I. Moya Mena ■ Gerardo Morales

Consejo Asesor Internacional
Zidane Zeraoui, *Instituto Tecnologico de M*onterrey
Juan Cole, *Universidad de Michigan*
Paulo Botta, *Centro de Estudios del Medio Oriente Contemporáneo, CEMOC*
Jorge Alberto Amaya, *Universidad Nacional Autónoma de Honduras*
Victoria Fontan, *Universidad para la Paz*

Escuela de Relaciones Internacional—Universidad Nacional
Max Sáurez Ulloa, Director
Carlos Cascante Segura, Subdirector